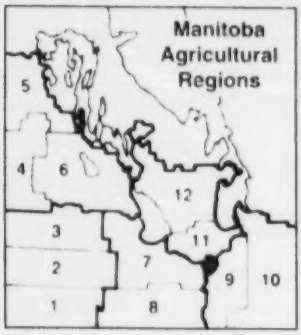
Manitoba Agriculture

PROGRAM & POLICY ANALYSIS

Agriculture Statistics



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SUBJECT: **FARM INCOME PROJECTION (2001)[P] AND OUTLOOK (2002)[E]**

MANITOBA HIGHLIGHTS

Projection 2001:

- Manitoba farm cash receipts are projected at a record $3.70 billion in 2001, up by 18.8 percent from $3.11 billion in 2000.
- In 2001, prices of most major crops could be slightly higher than in 2000, contributing to the 19.4 percent increase in crop cash receipt estimates to $1.51 billion. Livestock receipts could be about $1.83 billion in 2001, a new record, up by 17.1 percent from $1.56 billion in 2000.
- There is likely to be an increase of 24.6 percent in direct payments to Manitoba producers, from $285 million in 2000 to about $355 million in 2001.
- In total, 2001 farm operating expenses could rise by 8.3 percent to an estimated $2.71 billion.
- Net farm cash income may be up by 62.0 percent to $985 million in 2001, realized net income (after depreciation) could more than double to $638 million, while total net farm income may increase by 12.3 percent to $510 million following a negative value of inventory change.

SOURCE: Agriculture and Agri-Food Canada.

PROGRAM & POLICY ANALYSIS BRANCH
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Outlook 2002:

- Cash receipt estimates could decrease by 5 percent to $3.52 billion in 2002. Receipts from livestock production are likely to increase by one percent in 2002, while crop receipts could decrease by 3 percent in 2002.
- In 2002, direct payments could decrease by 46 percent to $193 million.
- Farm operating expenses for 2002 have been projected at one percent above the 2001 level.
- In 2002, net farm cash income could decrease by an estimated 20 percent to $788 million, which is relatively high by recent historical standards. Realized net income could be $448 million, a fall of 30 percent from 2001, while total net income could rise by 31 percent to $666 million.

TABLE 1: FARM INCOME SUMMARY, MANITOBA, 2000-2002*

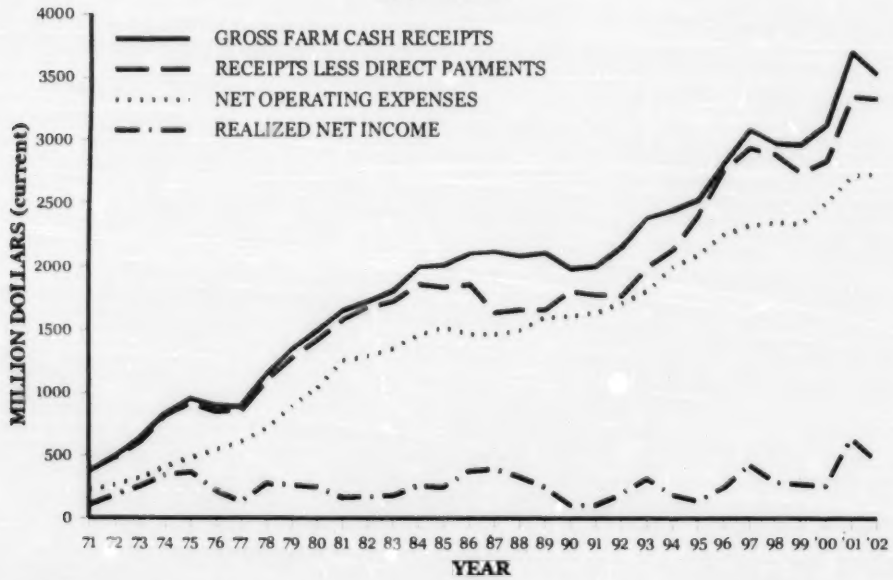
	2000[R]	2001[P]	2002[E]	02/01
	- thousand of dollars -			%
Crop Receipts	1,266	1,511	1,473	97
Livestock Receipts	1,563	1,831	1,854	101
Market Receipts	2,828	3,342	3,327	100
Total Payments[1]	285	355	193	54
Total Cash Receipts	**3,113**	**3,697**	**3,519**	**95**
Net Operating Expenses	**2,504**	**2,713**	**2,731**	**101**
Net Cash Income	**608**	**985**	**788**	**80**
Realized Net Income	**259**	**638**	**448**	**70**
Value of Inventory Change	195	-128	218	-
TOTAL NET INCOME	**454**	**510**	**666**	**131**

* Totals may not add due to rounding. [R] Revised [P] Preliminary [E] Estimated

[1] Includes gross payments directly paid to producers under Crop Insurance including private hail insurance, Dairy Subsidy, NISA and ad-hoc income support programs including Canada Farm Income Program, Canada/Manitoba Adjustment Program, AIDA and Manitoba Farm Disaster Assistance Program. Program premiums or levies paid by producers are included in operating expenses.

FARM INCOME AND EXPENSES

1971-2002



Source: Statistics Canada

Market Analysis and Statistics Section, Manitoba Agriculture and Food

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TABLE 2: FARM INCOME SUMMARY, PROVINCES, 2000-2002

	2000[R]	2001[P]	2002[E]	02/01
	million dollars			%
SASKATCHEWAN				
Crop Receipts	3,560	3,703	3,713	100
Livestock Receipts	1,446	1,665	1,650	99
Market Receipts	5,006	5,368	5,362	100
Total Payments[1]	776	1,166	614	53
Total Cash Receipts	5,782	6,533	5,976	91
Net Operating Expenses	4,522	4,801	4,899	102
Net Cash Income	1,260	1,732	1,077	62
Realized Net Income	390	873	231	26
Total Net Income	422	325	320	98
ALBERTA				
Crop Receipts	2,253	2,312	2,447	106
Livestock Receipts	4,448	5,006	5,015	100
Market Receipts	6,701	7,318	7,462	102
Total Payments[1]	711	885	408	46
Total Cash Receipts	7,412	8,203	7,871	96
Net Operating Expenses	5,838	6,156	6,191	101
Net Cash Income	1,574	2,046	1,680	82
Realized Net Income	584	1,066	719	67
Total Net Income	409	812	1,182	146
BRITISH COLUMBIA				
Crop Receipts	954	985	1,046	106
Livestock Receipts	1,084	1,134	1,164	103
Market Receipts	2,038	2,119	2,210	104
Total Payments[1]	39	39	39	100
Total Cash Receipts	2,076	2,158	2,249	104
Net Operating Expenses	1,565	1,637	1,641	100
Net Cash Income	512	522	608	117
Realized Net Income	308	309	389	126
Total Net Income	301	304	399	131
ONTARIO				
Crop Receipts	3,315	3,155	3,336	106
Livestock Receipts	4,061	4,341	4,385	101
Market Receipts	7,375	7,496	7,721	103
Total Payments[1]	423	694	286	41
Total Cash Receipts	7,798	8,190	8,007	98
Net Operating Expenses	6,211	6,497	6,603	102
Net Cash Income	1,588	1,693	1,404	83
Realized Net Income	681	799	522	65
Total Net Income	495	708	739	104
QUEBEC				
Crop Receipts	1,263	1,229	1,351	110
Livestock Receipts	3,597	3,821	3,874	101
Market Receipts	4,859	5,051	5,225	103
Total Payments[1]	558	607	427	70
Total Cash Receipts	5,418	5,658	5,652	100
Net Operating Expenses	4,108	4,269	4,372	102
Net Cash Income	1,310	1,390	1,280	92
Realized Net Income	860	918	793	86
Total Net Income	810	1,012	829	82
CANADA				
Crop Receipts	13,114	13,354	13,868	104
Livestock Receipts	16,827	18,478	18,641	101
Market Receipts	29,941	31,832	32,509	102
Total Payments[1]	2,826	3,826	2,023	53
Total Cash Receipts	32,767	35,658	34,532	97
Net Operating Expenses	25,716	27,079	27,480	101
Net Cash Income	7,051	8,579	7,052	82
Realized Net Income	3,170	4,700	3,200	68
Total Net Income	3,004	3,703	4,283	116